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ABSTRACT

Relatively high levels of public assistance use, and low levels of labor force participation among recent arrivals, have focused attention on the ability of refugees to attain self-sufficiency reasonably soon after entering this country. A survey focusing on Southeast Asian refugees resettled in the United States since 1975 indicates that refugees increasingly participate in the labor force over time, but that employment is hindered by adverse conditions in the U.S. economy. Occupational backgrounds do not strongly affect the types of jobs secured, and refugees are distributed fairly evenly throughout the economy, with high technology jobs accounting for a surprisingly large share of jobs held by Indochinese. Former laborers, farmers, fishermen, homemakers, and students have the most difficulty finding jobs. Schooling and English language ability of the most recent arrivals is roughly comparable to that found in the early arrivals, although for cohorts arriving from 1978 to 1982, roughly 45 percent knew no English at all when they arrived. The major recipients of public cash assistance are households with many members, particularly dependent children; the use of public assistance by all refugees, however, diminishes over time as jobs are found. (CJM)

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THE ECONOMIC ADJUSTMENT OF SOUTHEAST ASIAN REFUGEES IN THE U.S.

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IN:

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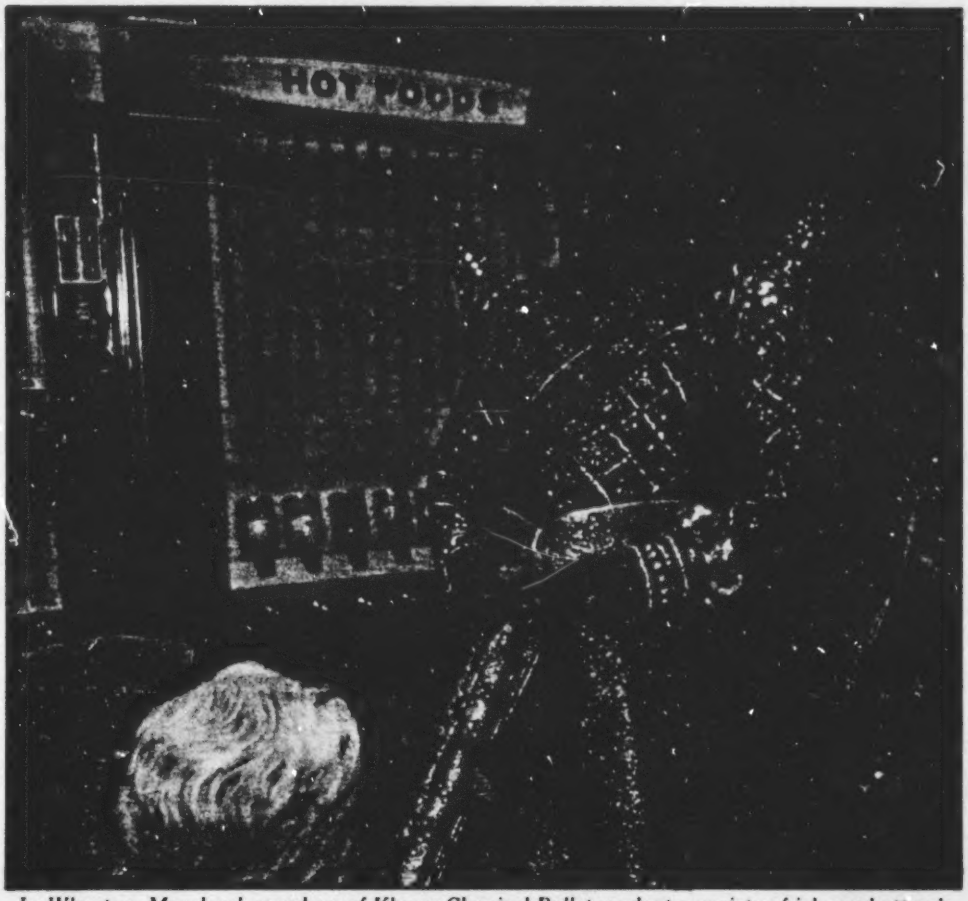
The Economic Adjustment of Southeast Asian Refugees in the U.S.

Robert L. Bach, Linda W. Gordon, David W. Haines, and David R. Howell

Although humanitarian concern continues to be the overriding reason for admitting refugees to the U.S., judgments of the resettlement program depend increasingly on how fast the newcomers attain "self-sufficiency." In recent years, relatively high levels of public assistance use, combined with low labor force participation among the most recent arrivals, have generated alarm among many observers over whether the goal for refugees of self-sufficiency can be reached within a reasonable period following entry to this country. Clearly, the longer the transition period to self-sufficiency, the higher are the costs of the refugee program. In the face of high costs, it may be more difficult for program officials to seek desired levels of refugee admissions.



In Wheaton, Maryland, members of Khmer Classical Ballet work at a variety of jobs and attend classes while keeping the dance troupe together.
KHMER CLASSICAL ARTS ASSOC.

Reflecting these concerns, a wide variety of explanations has emerged regarding perceived difficulties in the economic adjustment of Southeast Asian refugees in the U.S. Critical commentary has generally focused on three areas: the structure and philosophy of the federal resettlement program; the absorptive capacities of local communities; and the characteristics and behavior of the refugees themselves. The task of assessing the relative significance of these and other factors influencing economic adjustment, however, remains a vexing one. Nationwide variation in individual resettlement experiences, economic conditions, and state program administration, for example, severely limits the possibility of making valid judgments about the overall economic progress of refugees. But the most important source of ambiguity in public debates is often the lack of timely and accurate information documenting trends in refugee economic adjustment.

To provide basic information on the economic progress of refugees, the Office of Refugee Resettlement (ORR) of the U.S. Department of Health and Human Services conducts an annual survey of Southeast Asian refugees resettled in the U.S. since 1975. The central findings from this survey appear in ORR's annual *Report to the Congress*. The latest survey, conducted in the fall of 1982, was based on a random sample of 1,182 households containing 6,767 persons and representing approximately 600,000 refugees from Cambodia, Laos, and Vietnam. Interviews were conducted by telephone in the native language of the respondents by ORR's contractor, Opportunity Systems, Inc. The questionnaire focused on refugees' progress toward self-sufficiency, including their use of services and their employment experiences in the U.S.

Although many factors contribute to the overall resettlement process, in the following we concentrate on those which relate directly to economic adjustment because it is this process which contributes most significantly to self-sufficiency, a goal specified in the Refugee Act; because economic issues in general are a major concern in domestic

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policy and politics throughout the U.S. at this time; and because program reauthorization and appropriations, which are both influenced by overall refugee economic progress, are slated for particular attention in 1983. For these reasons, we present data on refugee labor force participation and employment, the influence of refugee background characteristics on economic adjustment, and refugee use of public cash assistance. Each of these factors is presented separately for clarity, although it should be recognized that they are highly interrelated.

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Findings from the 1982 survey follow the general patterns in refugee economic adjustment that have appeared in previous survey efforts. Perhaps most importantly, the data indicate the increasing frequency with which refugees participate in the labor force* over time. In fact, "early arrivals" in the U.S.—those arriving from 1975 to 1978—had higher labor force participation rates at the time of the survey than the general U.S. population. Those who arrived in 1979 were only slightly less likely to be in the labor force than the general U.S. population. A comparison of the 1982 survey with the one conducted in 1981 further documents increased labor force participation rates for Southeast Asian refugees. The overall labor force participation rate for all refugees rose from 50.9 percent to 55.9 percent with particularly sharp rises for those who had been in the U.S. less than one year at the time of the 1981 survey.

Participation in the labor force, however, does not always mean that refugees have been successful in finding employment. Refugee economic progress is strongly affected by the general condition of the U.S. economy. Like many native-born Americans, Southeast Asian refugees have suffered from the current recession. In the fall of 1982, the unemployment rate among refugees was 24.1 percent, more than twice that for the general U.S. population, and significantly higher than the 15.5 percent refugee unemployment rate found in the fall 1981 survey. Even early arrivals appeared to be experiencing more difficulty in finding or keeping jobs during this recent period.

The difficulties faced by refugees in the labor market are clearer when discussed in terms of specific entry cohorts. Data from the fall 1981 survey, for example, indicate that refugees who had arrived during 1980 had a labor force participation rate of 43.4 percent but experienced an unemployment rate of 30.0 percent. By fall 1982, the 1980 cohort had increased its labor force participation to 51.3 percent but had been unable to lower its jobless rate. Following a similar pattern, the last full-year cohort for which we have available information, those arriving in 1981, participated in the labor force during their first year in the country at a rate of only 24.0 percent. This is one of the figures related to progress toward self-sufficiency that alarms many commentators. The unemployment rate in 1981 for this cohort was also a troublesome 40.6 percent. After one year of residence and initial adjustment, the 1981 arrivals' labor force activity jumped to 41.5 percent. Their unemployment rate, however, remained at a level similar to that of their first year—40.7 percent.

TABLE 1
Employment Characteristics in the U.S. by Primary Occupation or Activity in Country of Origin, Persons 16 Years of Age or Over, Fall 1982

Occupation or Activity in Country of Origin	Labor Force Participation in U.S. %	Unemployed in U.S. %
Manager, Professional	73.5%	20.0%
Technical, Sales, Administrative Support	63.7	23.5
Service	68.1	23.9
Farming, Forestry, Fishing	43.1	38.2
Precision Production, Craft, Repair	66.2	26.0
Operator, Fabricator	68.5	39.6
Laborer	48.2	42.0
Military	75.8	25.1
Homemaker	39.1	25.0
Student	49.3	22.8

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A common explanation for refugees' employment experiences in the U.S. is the difficulty that many face in transferring occupational skills which were developed in their country of origin to the labor market in their country of resettlement. Data on their experiences after resettlement, however, support the argument that this is, at best, only a partial explanation. Rather, they suggest that conditions faced in the U.S. after arrival are as much a factor in determining progress toward self-sufficiency as the refugees' personal backgrounds.

ESL classes like this one in St. Louis are an important step in the economic adjustment of Southeast Asian refugees.
INTERNATIONAL INSTITUTE OF MET. ST. LOUIS

Table 1 shows that diverse occupational experiences in Southeast Asia are not, in general, reflected in differential levels of labor force participation and unemployment in the U.S. Sharing the highest labor force participation rates were refugees who served in the military at home and those who were professionals and managers. At a lower but shared rate, a second group consisted of such diverse occupations as service workers; operators and fabricators; production, craft, and repair workers; and sales and administrative support staff. The least frequent labor market participants included former laborers, farmers or fishermen, homemakers, and students. These occupational differences, however, did not appear to be reflected in rates of joblessness in the same way they were reflected in labor force participation rates, with the exception of laborers and farmers and fishermen, who participated infrequently and experienced high unemployment.

Occupational experiences at home also do not appear to have strongly influenced the types of job secured in the U.S., as Southeast Asian refugees have acquired employment in fairly diverse sectors of the U.S. economy. Roughly

40 percent work in the manufacturing sector, with three out of every four of these employees producing durable goods. Retail trade and professional and related activities comprise the second and third largest industrial concentrations: 23.9 percent and 15.0 percent, respectively. By broad occupational groups, refugees are distributed even more thoroughly through the economy. The four categories of jobs held most frequently contain roughly four-fifths of the working population: included are technical, sales, and administrative support workers (24.4 percent); precision production, craft, and repair workers (22.3 percent); service (21.1 percent); and operators and fabricators (18.6 percent).

Within these broad occupational groups, refugee employment is frequently concentrated in a few specific jobs. These jobs reveal an important dimension of the steps taken by refugees to move toward self-sufficiency. Many of the most frequently held jobs are available because they are

typically characterized by high turnover or represent low-wage, entry-level positions. Of course, in tough economic times, these jobs may be neither temporary nor entry-level, because job mobility, especially upward, is reduced during such periods. The job most frequently held by refugees, janitorial service (6.6 percent), clearly falls within this category. Other prevalent positions include kitchen worker, cook, waiter and waitress, and cashier.

A second type of job opportunity available to refugees appears to lie in the expanding employment sectors. Reflecting the concentration of many refugees in southern California, and perhaps related to the type of training many receive from government programs, a relatively substantial share of the refugees (10.8 percent) work in assembly jobs, particularly those related to electrical and electronic components. If we add to these jobs the more skilled but related occupations in the electronics industry (for example, computer programming), these "high-tech" jobs account for a surprisingly substantial share of the refugee workforce.

These types of jobs are interesting because they provide evidence of the match between the availability of jobs within the U.S.—a factor in refugees' progress toward self-sufficiency over which they or the refugee program have very little control—and the active employment and assistance strategies of the individuals, households, sponsors, and ethnic communities. Obtaining these jobs requires refugees to undertake many of the same labor market adjustments forced by recession upon native-born U.S. workers. Consequently, it seems plausible that precisely as more refugees become actively engaged in the U.S. labor market, a step toward self-sufficiency that everyone applauds, they make adjustments that for native-born workers also produce short-term problems which frequently require additional income assistance, compensation, or participation in training programs.

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A major problem in evaluating refugees' progress toward self-sufficiency is caused by the social and cultural heterogeneity within the refugee population itself. In addition to differences in country of origin, resettlement experience, and access to programs, the refugee population as a whole is continuously supplemented through new arrivals and is therefore different, or potentially different, at each assessment. While calendar years are rather arbitrary units by which to aggregate refugee data and to consider possible differences over time, we do so here to examine a popular claim about the comparatively lower capabilities of recent refugee arrivals. The familiar argument holds that much of the current difficulty in resettlement is due to the lower level of skills and education allegedly characteristic of refugees who have arrived in recent years.

One problem with this argument lies in the nature of the implicit comparison: recent arrivals are less skilled than whom? Few would disagree, for example, that the "first group which left South Vietnam in 1975, like many first waves" of refugees, represented in average terms a population of greater wealth, more education, and higher social status than that country's populace as a whole. But is this the proper comparison group for the majority share of the refugees who arrived in the U.S. during and after 1979 and who originated not only outside Saigon, but from a variety of national and ethnic backgrounds?

Moreover, if the economic problems facing the U.S. and its workforce are also a major source of problems for refugees, as we have suggested, should 1982 arrivals be expected to move toward self-sufficiency at the same rate as, for example, those who arrived in 1979, for whom economic conditions were different?

Results from the 1982 annual survey help distinguish differences within the refugee population over time. As has been observed in previous surveys, the 1975 cohort arrived in the U.S. with a higher average level of education than all subsequent groups. Later cohorts, however, have shared virtually the same level of prior schooling: for example, the cohorts from 1979 to 1982 have roughly seven years of formal schooling abroad; the comparable figure for the 1975 cohort is 9.5 years. Also, perhaps as a result of English language training in the refugee processing centers overseas, the 1981 cohort arrived with a larger share of its members able to speak English fluently or well than the 1980 arrivals, and the refugee cohort arriving in the first four months of 1982 had more proficient English speakers than any cohort since 1976-7. Of course, the proportion of proficient English speakers in any cohort was not high: from 1978 to 1982, roughly 45 percent of each cohort reported they knew no English at all upon their arrival in the U.S.

Previous occupational experiences also do not differ dramatically among cohorts, although the few specific changes in job concentrations are important. For example, the relative share of each cohort reporting no previous occupation has remained virtually the same since 1975, as

has the proportion of civil servants. The primary changes during the past eight years involve a substantial increase in the number of persons who were self-employed in Southeast Asia (see Table 2). Clearly related to this self-employment is an increase in the proportion of farmers and fishermen. Indeed, in the last three years, one of every five workers that came to the U.S. used to be a farmer or fisherman.

This specific occupational shift may help explain the source of popular claims concerning the greater difficulty encountered by more recent arrivals in finding employment. We noted previously that former farmers and fishermen, as an occupational group, have a low labor force participation rate and high unemployment rate after arriving in the U.S.

But quick conclusions from these figures that this subgroup is responsible for current problems of refugee unemployment are unwarranted. First, if it is true that English

This Lao refugee works in a clothing factory in Queens, New York. UNHCR

proficiency and educational backgrounds are not appreciably lower among the recent arrivals, then there is little direct indication that personal skills in this group are inferior to those of former groups. Second, as we have seen, recent arrivals start slowly but move quickly to increase their levels of labor force participation. The FY 82 arrivals, given time, should progress similarly. However, since employment conditions have recently worsened, a significant decline in their unemployment may take longer. Consequently, at this time, it seems unjustified to attribute the slow rate of progress toward self-sufficiency of recent arrivals to specific limitations of their economic background.

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Given the difficulties faced by refugees in finding employment—many of which reflect current constrictions in the American economy—it is hardly surprising that there is substantial utilization of public cash assistance by refugees. The fall 1982 survey indicated that 47.4 percent of all Southeast Asian refugees resided in households which received at least some cash assistance.

TABLE 2
Occupation in Country of Origin by Year of Entry,
All Individuals Employed Abroad, 16 Years of Age or Over

Occupation in Country of Origin	Year of Entry 1975	1976-77	1978	1979	1980	1981	1982	Total
Managers, Professionals	23.6%*	10.4%	20.4%	14.0%	13.9%	14.0%	10.2%	16.3%
Technical, Sales, Administrative Support	48.0	59.3	53.8	52.6	38.0	32.5	23.0	41.3
Service	4.9	6.6	6.0	5.6	7.2	5.5	3.6	5.6
Farming, Forestry, Fishing	3.6	27.2	5.8	11.9	23.5	20.0	27.3	15.6
Precision Production, Craft, Repair	11.3	10.6	7.4	12.0	11.9	15.5	22.2	12.9
Operators, Fabricators, Laborers	8.7	10.3	6.6	4.1	5.5	12.7	13.8	8.4

*Percents based on total who were employed in country of origin who arrived in given year.

This figure in itself, however, provides no insight into the important question of whether receipt of cash assistance is a temporary feature in refugee adjustment to the U.S., or a more enduring problem. Here the 1982 survey data are instructive in showing the extent to which utilization of cash assistance decreases over time. When utilization rates are calculated separately by six-month periods of residence in this country, the results show a gradual and continuing decline to a rate of 22.7 percent for those refugees resident for more than 36 months. Further, a comparison of the 1981 and 1982 surveys shows that the various entry cohorts used cash assistance less in 1982 than in 1981. For example, 67.9 percent of 1980 arrivals were in households receiving cash assistance in 1981, but by late 1982 this had declined to 53.9 percent. For 1979 arrivals, the decline was from 62.9 percent to 42.1 percent, and for 1978 arrivals it was from 52.7 percent to 31.6 percent.

Further analysis of the utilization of cash assistance by refugees, however, requires a recognition of household composition and need as important factors. Data from the 1982 survey, for example, show that the probability that households receive assistance increases directly with household size. One way to see the effect of this is to calculate the cash assistance utilization rates on the basis of households rather than on the basis of individuals who live in households which receive assistance. Because of the greater frequency with which large households receive assistance, such a calculation provides a utilization rate of 40.6 percent, as compared to a rate of 47.4 percent calculated on the basis of individuals.

An alternate way to see the effects of household size and composition is to compare the aggregate characteristics of households receiving cash assistance with those of households not receiving such assistance. Table 3 presents such a comparison. In contrast to households which do not receive aid, the average recipient household has at least one more person to support. Not only are recipient households larger, but they contain a proportionately greater number of dependent children, computed either as those aged less than 6 or those aged less than 16. Recipient households thus have greater need than non-recipient households, a need taken into account not in wage rates but in assistance policies and benefit levels. Additionally, the data suggest that adults in recipient households not only must deal with greater household need but also experience more difficulties in becoming employed. As indicated in Table 3, adults in

TABLE 3
Use of Cash Assistance by Southeast Asian Refugee Households in the United States, Fall 1982

Household Characteristics	Recipient Households	Non-Recipient Households
Mean Household size	5.1	3.8
Mean Number of Persons with a Job in Household	0.5	1.6
Mean Percent of Members less than 6 Years of Age	14.5%	9.0%
Mean Percent of Members less than 16 Years of Age	38.1%	24.5%
Percent of Households with at least one Fluent English Speaker	2.4%	15.0%
Mean Percent of all Adult Household Members who are Looking for Work or Working	24.0%	59.6%
Mean Percent of all Adult* Household Members who are Looking for Work but do not have a Job	14.4%	7.7%

*Base population includes all persons aged 16 and over, regardless of potential barriers to employment.

recipient households are less likely to be working or seeking work than their counterparts in non-recipient households, and they are also less likely to find work when they seek it. One key problem is the lesser likelihood that recipient households will include at least one fluent English speaker (2.4 percent versus 15 percent for non-recipient households).

One final comparison between recipient and non-recipient households is instructive in examining the achievement of self-sufficiency by refugees: on the average, recipient households have .5 persons who hold a job, whereas non-recipient households have an average of 1.6 persons who are employed.

The .5 figure is a reminder that many recipient households do include an adult who holds some kind of job, but that this job provides insufficient income to meet all family needs. For many refugee households, receipt of cash assistance is thus a supplement to, rather than a replacement for, earned income. The average of 1.6 employed persons for non-recipient households suggests that, given relatively low wage and salary levels, self-sufficiency for many refugee households is only achieved through the efforts of multiple wage-earners within the household. This is because a single job, especially if it is a low-paying one, is unlikely to be sufficient to support an entire household.

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While there is still much to learn about the economic adjustment of refugees, the survey information presented in this discussion documents some progress that has been made toward understanding that process. It is not yet possible to draw conclusions about either the economic status of refugees or the processes of adjustment which lead to self-sufficiency. However, it is evident that many factors are involved and that some which have been accepted as important are perhaps only marginally so. At the very least, these data suggest that as refugees move toward self-sufficiency, they are overcoming quite serious obstacles in doing so.

*Those considered to be in the labor force include all individuals who are working or who are actively seeking employment. The unemployment rate is the percentage of those in the labor force who are not employed. These definitions and the occupation categories and definitions used in the survey from which these data are derived are the same as those used by the U.S. Department of Labor.

Refugee Resettlement: A Bright Achievement

The record of the U.S. with regard to refugee admissions and resettlement is one of our brightest achievements—since 1975, we have brought into our nation's communities over 828,000 refugees, some 600,000 Indochinese alone. Most refugees who have come since World War II have assimilated successfully into the mainstream of American life and have become loyal citizens and productive members of their communities.

In the international arena, the U.S. continues to accept more refugees for permanent resettlement than any other country of the world. We in the Congress believe that it is in the best humanitarian and foreign policy interests of the U.S. to continue generous refugee admissions.

Nevertheless, the record numbers of refugees coming to the U.S. in the past few years, coupled with a resettlement program which makes extensive use of federal cash assistance, have generated substantial problems for recent refugees, their sponsors, and the federal agencies charged with implementing the Refugee Act of 1980. Moreover, we are increasingly becoming a major country of first asylum for persons fleeing persecution in this hemisphere: the number of persons in the U.S. whose asylum cases are pending has grown dramatically even since 1979.

It is indeed unfortunate that we resort to numbers when discussing the fate of flesh and blood human beings. But Congress has determined that refugee resettlement is a federal responsibility: local taxpayers cannot be asked to absorb the costs of this effort. And the fact is, if the costs continue to rise, admissions levels must necessarily be reduced, for it is unfair to shift these burdens to the states and counties which have been most generous in accepting refugees into their communities.

Let me stress that Congress does recognize the tremendous work which has been achieved in refugee assistance in the U.S. and around the world, often at great personal and organizational expense. One must also acknowledge the advances which have been made on the local and national levels in improved communication among all of those involved in the resettlement effort—churches, voluntary organizations, state and local governments, federal agencies, and the refugees themselves. Such communication and cooperation is essential if the program is to work as Congress has intended.

This country was founded by persons fleeing persecution in their homelands and seeking freedom and a better life. The U.S. has achieved a great moral and humanitarian accomplishment in this regard throughout our history. Despite our limitations and our human faults, we remain a nation of great strength and compassion—a visible tribute to the ideals of democracy and the inherent dignity of the individual. We must continue to ensure that the U.S. maintains its fair share of the world refugee responsibility, in a way which is consistent with the short-term economic goals and the longer-term ideals and principles which govern this nation.

Senator Alan K. Simpson
Chairman, Senate Subcommittee on Immigration and Refugee Policy